

Old Age, Disability, Death

First laws: 1891 (old age) and 1921 (disability).

Current laws: 1964 (employment-related pensions), 1986 (partial pension), and 1984 (social pension—includes old-age pension plus early pension providing income-tested benefits for survivors and the disabled).

Type of program: Multiple universal pension, assistance, and social insurance systems.

Exchange rate: U.S.\$1.00 equals 6.12 kroner.

(Note: Widow's and disability pensions were abolished as separate programs in 1984 and are part of the *early pension* program; for consistency they are reflected here in their usual position).

Coverage

Universal pension: Resident citizens; aliens meeting minimum residency requirements or covered by reciprocity agreements.

Employment-related pension: Employees (aged 16-66) including persons on parental leave, recipients of cash sickness benefits and the unemployed.

Source of Funds

Insured person: Universal pension, none. Employment-related pension: up to 1/3 of 2,332 kroner (maximum tax, full time worker) a year.

Employer: Employment-related pension: up to 2/3 of 2,332 kroner (maximum tax, full time worker) per employee a year.

Government: Universal pension, financed by the national government. Employment-related pension, none.

Qualifying Conditions

Old-age pension: Universal pension, citizens at age 67; Full pension: 40 years' residence after age 15. Employment-related pension, payable at age 67. No income test. Payable abroad. Early retirement (universal pension): Age 18-66 if ability to work reduced by at least 1/2 for physical or mental reasons, age 50-66 if social and health related reasons.

Income tested: Annual income under 88,608 kroner (single), 132,912 kroner (married couple), plus 8,472 kroner per child. Post-retirement wage (Efterlon): See unemployment program. Partial (universal) pension: Aged 60-66, was employed full time for at least 10 years out of previous 20; must continue to work 12-30 hours a week.

Disability pension (anticipatory pension): Universal pension, age 18-59; ability to work reduced to negligible amount (full pension) or 2/3 (reduced pension—also paid at age 60-66 if work ability is negligible); other income below specified limits.

Disability Allowance: Ineligible for pension due to high earnings, but medically determined to have at least 66 2/3 diminution in work capacity or deafness resulting in serious communication problems.

Survivor pension (anticipatory pension): Universal pension, age 18-66; ability to work reduced by at least 1/2 for health and other reasons; other income below specified limits. Payable abroad.

Old-Age Benefits

Universal old-age pension: Basic amount, 3,709 kroner a

month (income-tested).

Supplement (income-tested): 1,880 kroner a month (singles); 1,629 kroner a month (others).

Adjustment: Automatic adjustment of pensions each year for changes in the wage index.

Supplements for children, see family allowances below.

Partial pension: Maximum, 73,643 kroner a year if work reduced to 12 hours a week.

Employment-related old-age pension: Up to 13,500 kroner a year, depending on time of entry into the program and contribution payments.

40 years' coverage for full pension, except 35 years if covered in 1965.

Permanent Disability Benefits

Disability pension: Full pension (if 100% disabled) consists of basic pension amount of 3,709 kroner a month (income-tested), plus disability and unemployability supplements (1,805 kroner and 2,491 kroner a month, respectively, no income test); reduced pension (if 2/3 disabled), basic benefit plus pension supplement (same as old-age pension).

Early pension supplement: 942 kroner a month.

Supplements for children, see Family Allowances, below.

Assistance allowance, 1,885 kroner a month; constant-attendance allowance, 3,760 kroner a month (both, no income test).

Disability allowance: 1,814 kroner a month.

Adjustment: Automatic adjustment of pensions each year for changes in the wage index.

Survivor Benefits

Survivor pension: 3,709 kroner a month (income-tested) plus supplement (same as for old-age pension).

Early pension supplement: 942 kroner a month.

Supplements for children, see family allowances below.

Adjustment: Automatic adjustment of pensions each year for changes in the wage index.

Employment-related survivor benefit: Lump sum, related to the employment-related old-age pension paid or accrued to deceased.

Payable to surviving spouse and each child under age 18.

Funeral grant: Lump sum (maximum of 6,400 kroner, dependent on the assets of the deceased, provided under sickness insurance and adjusted for changes in price index).

Administrative Organization

Universal and assistance pensions: Ministry of Social Affairs, general supervision and national administration.

Local communal (municipal) governments: Local administration of pensions, including receipt of claims, and award and payment of pensions; also determines whether disability exists.

National Directorate of Social Security and Assistance: Administers universal pensions paid abroad.

Employment-related pensions: Ministry of Labor, general supervision.

Labor Market Supplementary Pensions Institution, administration of program. Managed by employee-employer assembly.

Sickness and Maternity

First law: 1892.

Current laws: 1971 (medical benefits) and 1972 (cash benefits).

Type of program: Dual universal (medical benefits) and direct provision (cash benefits) systems.

Coverage

Medical benefits: All residents.

Cash sickness benefits: Wage earners after 13 weeks with same employer, and self-employed.

Cash maternity benefits: Employees and self-employed.

Source of Funds

Insured person: Medical benefits, none. Self-employed, voluntary cash benefit insurance against initial 3 weeks of incapacity.

Employer: Cash benefits, whole cost first 2 weeks, thereafter paid by local government authorities. Medical benefits, none.

Government: Cash benefits, local government whole cost beginning 2nd week (costs partially covered by *labor market contribution* paid by employees and self-employed beginning January 1, 1995). Medical benefits, whole cost (counties).

Qualifying Conditions

Medical benefit: Resident of metropolitan Denmark. If moving from another country, 6 weeks' qualifying period.

Cash sickness benefit: Income from employment or self-employment.

Cash maternity benefits: Income from employment or self-employment.

Sickness and Maternity Benefits

Sickness benefit: Up to 2,556 kroner a week, based on hourly wage; employees, payable from 1st day of illness; self-employed, payable from 4th week of illness (may insure voluntarily for 1st 3 weeks). Benefits under the national cash benefit program are payable weekly for 52 weeks within any 18-month period (reduced from 91 weeks previously).

Maternity benefit: Up to 2,556 kroner a week; employees, payable up to 28 weeks, including 4 weeks before and 24 weeks after confinement (father may take 2 weeks' paternity leave), plus up to 3 months if child hospitalized for disease contracted in connection with birth; other earners and nonearners on a voluntary basis, payable for 4 weeks after birth.

Sickness and maternity benefits above require 120 hours continuous employment in preceding 13 weeks.

Workers' Medical Benefits

Medical benefits: Free service benefits (financed through general revenue funds) with restricted choice of doctor, or patient pays part of expenses with free choice of doctor. Includes general practitioner care, specialist care, hospitalization in public hospital, 50% to 75% of cost of most prescribed drugs, maternity care by midwife or doctor, home nursing, chiropractic (30 percent of expenses), physiotherapy, limited dental care (the government pays 40% of most expenses) and transportation (pensioners only).

Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for family head.

Administrative Organization

Ministry of the Interior and National Social Security Office, general supervision and national administration.

Communal (municipal) and county governments, local administration.

Work Injury

First law: 1898.

Current law: 1993.

Type of program: Dual universal (medical benefits) and direct provision (cash benefits) systems; compulsory insurance with private carrier (disability pension).

Coverage

Employed persons, and self-employed persons in fishing and shipping. Persons born with congenital injury/disease as a consequence of the mother's work/employment during early pregnancy.

Source of Funds

Insured person: None. Permanent disability, none. Self-employed, whole cost of insurance.

Employer: Cash benefits, same as sickness and maternity.

Permanent disability, whole cost of insurance through private carrier.

Government: See Sickness and Maternity, above.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: See sickness benefits above.

Permanent Disability Benefits

Permanent disability pension: 80% of average earnings, if totally disabled. Maximum earnings: 293,000 kroner (295,000 kroner as of April 1, 1995), adjusted annually for changes in average wages.

Partial disability: Percent of full pension proportionate to loss of earning capacity, if 50% to 99% disabled. Lump sum equal to commuted value of partial pension, if 15% to 49% disabled. At age 67, pension discontinued, lump sum of 2 years benefit paid.

Compensation for long-term incapacity to perform daily routine tasks: 355,000 kroner (357,000 kroner as of April 1, 1995) if 100% incapacitated; compensation reduced at lower degrees of incapacity. Adjustment: Automatic adjustment of benefits to changes in average wages.

Workers' Medical Benefits

Medical benefits: Appliances only, or sometimes necessary specialist care (most medical services obtained under ordinary sickness insurance).

Survivor Benefits

Survivor pension: 30% of earnings of insured, paid up to 10 years. Payable to spouse, or cohabitant of at least 5 years. Benefit not discontinued when contracting new marriage. At age 67, pension discontinued, lump sum of 2 years' benefit paid. Orphans: 10% of earnings for each orphan, up to 40% maximum. 20% each full orphan, up to 50% maximum. Payable through age 18 (21 if student). Total survivor and orphans' pensions payable: 70% of earnings of insured. Special death benefit: Lump sum of 92,000 kroner (93,000 kroner as of April 1, 1995) payable to spouse, or cohabitant of at least 5 years. Adjustment: Automatic adjustment of benefits to changes in average wages.

Administrative Organization

Ministry of Social Affairs, general supervision; National Board of Industrial Injuries, direct supervision.

Unemployment

First law: 1907.
Current laws: 1970 (employees) and 1976 (self-employed).
Type of program: Subsidized voluntary insurance system.

Coverage

Self-employed, and employees aged 16-65, young persons who have completed 18 months vocational training, and draftees, admitted to approved unemployment funds established voluntarily by trade unions in industry, commerce, office work, agriculture, handicrafts, catering, transport, and quarrying.

Source of Funds

Insured person: Membership contribution for the unemployment fund.
Employer: A part of the supplementary 3% value-added tax base of the enterprise.
Government: Cost above insured person's and employer contributions. Costs partially recouped from *labor market contribution* paid by employees and self-employed from January 1, 1995.

Qualifying Conditions

Unemployment benefit: Membership in unemployment fund during last 12 months (self-employed included) and 26 weeks of employment in last 3 years. Registered for employment, capable of and willing to work. Unemployment not due to voluntary leaving, misconduct, labor dispute, or refusal of suitable offer. Post-retirement wage: Resident aged 60-66 (including self-employed) and member of unemployment fund for 20 years during last 25 years, or 10 years during the last 15 if born before March 1, 1952.

Unemployment Benefits

Unemployment benefit: 90% of earnings, up to 511 kroner a day. Payable from 1st day of unemployment, 5 days a week for a limited duration. Post-retirement wage: 90% of earnings first 30 months,

82% thereafter (up to 132,860 kroner and 108,945 kroner, respectively). May work up to 200 hours in 12 month period. Transitional benefit: 82% of maximum daily benefit. Payable to member age 55-59 about to lose eligibility to daily allowance. Payable to age 60 or eligibility for post-retirement wage. Normal old-age pension payable at age 67.

Administrative Organization

Ministry of Labor and National Employment Office, general supervision.
Recognized unemployment funds (at least 5,000 members), national administration of program; usually managed by union officials. Local branches of funds, collection of contributions and payment of benefits.

Family Allowances

First law: 1952.
Current law: 1986.
Type of program: Universal system.

Coverage

Resident citizens, aliens having resided in Denmark 1 or more years (3 years for special supplement) or aliens covered by reciprocal agreements.

Source of Funds

Insured person: None.
Employer: None.
Government: Whole cost.

Qualifying Conditions

Family allowances: Child must be under age 18.

Family Allowance Benefits

Family allowances: Basic annual allowance, 8,600 kroner per child 0-6 years old, 6,600 kroner if 7-17 years of age. General supplement: 4,416 kroner a year per child (if single provider, pensioner, etc.). Extraordinary supplement: 3,372 kroner a year (for single parent or pensioner). Special supplement: 16,944 kroner a year (orphans) or 8,472 kroner (children of pensioners and children of only one parent; multiple births, 5,456 kroner a year when 0-6 years of age; adoption, one-time grant of 31,457 kroner. Adjustment: Allowance and supplements adjusted once a year by a percentage fixed by law. Schedule of payments: Payable quarterly.

Administrative Organization

Ministry of Social Affairs, general supervision and national administration.
Administered by local communal (municipal) governments.

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